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France

Dairy and Products

Annual

2001

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Report Highlights:

The "mad cow" crisis and the outbreak of Foot and Mouth Disease hurt French exports of industrial dairy products in 2001. During the first seven months, shipments of skim milk powder were reduced by half, mainly due to the sharp drop in exports to Algeria and Cuba. At the same time, French exports of butter to Egypt and Saudi Arabia declined significantly, due to import restrictions imposed by these countries on French and EU products for sanitary reasons. As a result, the market for U.S. dairy products in these countries has expanded. In the French market, cheese production is increasing, boosted by growth in consumption.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Paris [FR1], FR

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Executive Summary

The "mad cow" crisis and the outbreak of Foot and Mouth Disease hurt French exports of industrial dairy products in 2001. During the first seven months, shipments of skim milk powder were reduced by half, mainly due to the sharp drop in exports to Algeria and Cuba. At the same time, French exports of butter to Egypt and Saudi Arabia declined significantly, due to import restrictions imposed by these countries on French and EU products for sanitary reasons. As a result, the market for U.S. dairy products in these countries has expanded. In the French market, cheese production is increasing, boosted by growth in consumption.

Section I: Situation and Outlook

France is the second largest EU milk producer and exporter within the EU and to third countries after Germany, and is therefore a major competitor with the United States. French dairy production is 30 percent industrial and 70 percent consumer-oriented products. French and U.S. industrial dairy products (mainly butter and milk powders) compete on the world market. Saudi Arabia, Iraq and Lebanon are France's major non-EU markets in the Middle-East, while Senegal and Algeria are France's leading export markets in Africa. In addition, France has made significant shipments to Singapore and Cuba.

The French dairy sector was hit hard by the "mad cow" crisis and the Foot and Mouth Disease (FMD) outbreak in the first quarter of 2001. These sanitary problems resulted mainly in reduced exports of butter and skim milk powder, since importing countries put restrictions on products processed in France and the EU. Singapore, and Saudi Arabia significantly reduced their imports of butter from France, while Algeria and Cuba sharply cut their imports of skim milk powder, and Egypt reduced imports of both products. The market for U.S. products in these countries is therefore expanding in 2001.

Notes: Statistical data and market trends of the French dairy market is available on the website of the French Ministry of Agriculture and Fisheries: <http://www.agriculture.gouv.fr>, on the French dairy industry's website: <http://www.maison-du-lait.fr> and on the French dairy board's website: <http://www.onilait.fr>

Exchange rates used in this report are : 1 USD = 7.13 FF in 2000 and 1 USD = 7.30 FF in 2001

Acronyms used in this report are the following:

CIDIL: Interprofessional Center for Dairy Information and Documentation

CNIEL: French Information Center of Dairy Economics

ONILAIT: French Dairy Board

SCEES: Office of Statistics of the French MinAg

SECODIP: French consumer survey agency

Section II: Statistical Tables

PS&D Tables

| | | | | | | |
|-----------------------------|--------------------|---------|-------------|---------|----------------------|---------|
| PSD Table | | | | | | |
| Country | France | | | | | |
| Commodity | Dairy, Milk, Fluid | | | | (1000 HEAD)(1000 MT) | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Cows In Milk | 4424 | 4424 | 4412 | 4412 | 0 | 4405 |
| Cows Milk Production | 24843 | 24874 | 24890 | 24875 | 0 | 24875 |
| Other Milk Production | 750 | 750 | 720 | 755 | 0 | 755 |
| TOTAL Production | 25593 | 25624 | 25610 | 25630 | 0 | 25630 |
| Intra EC Imports | 671 | 672 | 620 | 670 | 0 | 670 |
| Other Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Imports | 671 | 672 | 620 | 670 | 0 | 670 |
| TOTAL SUPPLY | 26264 | 26296 | 26230 | 26300 | 0 | 26300 |
| Intra EC Exports | 703 | 701 | 720 | 725 | 0 | 720 |
| Other Exports | 51 | 52 | 50 | 55 | 0 | 50 |
| TOTAL Exports | 754 | 753 | 770 | 780 | 0 | 770 |
| Fluid Use Dom. Consum. | 4380 | 4313 | 4380 | 4320 | 0 | 4320 |
| Factory Use Consum. | 20508 | 20608 | 20500 | 20620 | 0 | 20610 |
| Feed Use Dom. Consum. | 622 | 622 | 580 | 580 | 0 | 600 |
| TOTAL Dom. Consumption | 25510 | 25543 | 25460 | 25520 | 0 | 25530 |
| TOTAL DISTRIBUTION | 26264 | 26296 | 26230 | 26300 | 0 | 26300 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Sources: SCEES, ONILAIT, Eurostat, CNIEL

| | | | | | | |
|-----------------------------|---------------|---------|-------------|---------|-----------|---------|
| PSD Table | | | | | | |
| Country | France | | | | | |
| Commodity | Dairy, Cheese | | | | (1000 MT) | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Beginning Stocks | 72 | 72 | 72 | 72 | 72 | 62 |
| Production | 1719 | 1720 | 1725 | 1740 | 0 | 1740 |
| Intra EC Imports | 194 | 197 | 180 | 200 | 0 | 205 |
| Other Imports | 18 | 15 | 20 | 15 | 0 | 15 |
| TOTAL Imports | 212 | 212 | 200 | 215 | 0 | 220 |
| TOTAL SUPPLY | 2003 | 2004 | 1997 | 2027 | 72 | 2022 |
| Intra EC Exports | 415 | 415 | 420 | 425 | 0 | 425 |
| Other Exports | 97 | 97 | 100 | 100 | 0 | 100 |
| TOTAL Exports | 512 | 512 | 520 | 525 | 0 | 525 |
| Human Dom. Consumption | 1419 | 1420 | 1405 | 1440 | 0 | 1440 |
| Other Use, Losses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 1419 | 1420 | 1405 | 1440 | 0 | 1440 |
| TOTAL Use | 1931 | 1932 | 1925 | 1965 | 0 | 1965 |
| Ending Stocks | 72 | 72 | 72 | 62 | 0 | 57 |
| TOTAL DISTRIBUTION | 2003 | 2004 | 1997 | 2027 | 0 | 2022 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 13 | 13 | 13 | 14 | 0 | 14 |

Sources: SCEES, ONILAIT, Eurostat, CNIEL

| | | | | | | |
|-----------------------------|---------------|---------|-------------|---------|-----------|---------|
| PSD Table | | | | | | |
| Country | France | | | | | |
| Commodity | Dairy, Butter | | | | (1000 MT) | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Beginning Stocks | 27 | 27 | 25 | 25 | 23 | 28 |
| Production | 448 | 453 | 445 | 450 | 0 | 450 |
| Intra EC Imports | 140 | 145 | 129 | 140 | 0 | 140 |
| Other Imports | 10 | 1 | 9 | 1 | 0 | 1 |
| TOTAL Imports | 150 | 146 | 138 | 141 | 0 | 141 |
| TOTAL SUPPLY | 625 | 626 | 608 | 616 | 23 | 619 |
| Intra EC Exports | 47 | 43 | 45 | 40 | 0 | 45 |
| Other Exports | 30 | 28 | 30 | 23 | 0 | 25 |
| TOTAL Exports | 77 | 71 | 75 | 63 | 0 | 70 |
| Domestic Consumption | 523 | 530 | 510 | 525 | 0 | 525 |
| TOTAL Use | 600 | 601 | 585 | 588 | 0 | 595 |
| Ending Stocks | 25 | 25 | 23 | 28 | 0 | 24 |
| TOTAL DISTRIBUTION | 625 | 626 | 608 | 616 | 0 | 619 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Sources: SCEES, ONILAIT, Eurostat, CNIEL

| | | | | | | |
|-----------------------------|-------------------------|---------|-------------|---------|-----------|---------|
| PSD Table | | | | | | |
| Country | France | | | | | |
| Commodity | Dairy, Milk, Nonfat Dry | | | | (1000 MT) | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Beginning Stocks | 22 | 22 | 20 | 20 | 20 | 40 |
| Production | 278 | 278 | 260 | 260 | 0 | 260 |
| Intra EC Imports | 75 | 79 | 70 | 65 | 0 | 70 |
| Other Imports | 9 | 6 | 10 | 5 | 0 | 5 |
| TOTAL Imports | 84 | 85 | 80 | 70 | 0 | 75 |
| TOTAL SUPPLY | 384 | 385 | 360 | 350 | 20 | 375 |
| Intra EC Exports | 53 | 53 | 50 | 35 | 0 | 45 |
| Other Exports | 35 | 35 | 30 | 15 | 0 | 20 |
| TOTAL Exports | 88 | 88 | 80 | 50 | 0 | 65 |
| Human Dom. Consumption | 86 | 85 | 85 | 85 | 0 | 85 |
| Other Use, Losses | 190 | 192 | 175 | 175 | 0 | 180 |
| Total Dom. Consumption | 276 | 277 | 260 | 260 | 0 | 265 |
| TOTAL Use | 364 | 365 | 340 | 310 | 0 | 330 |
| Ending Stocks | 20 | 20 | 20 | 40 | 0 | 45 |
| TOTAL DISTRIBUTION | 384 | 385 | 360 | 350 | 0 | 375 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Sources: SCEES, ONILAIT, Eurostat, CNIEL

| | | | | | | |
|-----------------------------|------------------------------|---------|-------------|---------|-----------|---------|
| PSD Table | | | | | | |
| Country | France | | | | | |
| Commodity | Dairy, Dry Whole Milk Powder | | | | (1000 MT) | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Beginning Stocks | 22 | 22 | 23 | 23 | 28 | 35 |
| Production | 420 | 420 | 430 | 405 | 0 | 410 |
| Intra EC Imports | 8 | 8 | 10 | 15 | 0 | 10 |
| Other Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Imports | 8 | 8 | 10 | 15 | 0 | 10 |
| TOTAL SUPPLY | 450 | 450 | 463 | 443 | 28 | 455 |
| Intra EC Exports | 43 | 43 | 40 | 40 | 0 | 40 |
| Other Exports | 169 | 169 | 170 | 160 | 0 | 165 |
| TOTAL Exports | 212 | 212 | 210 | 200 | 0 | 205 |
| Human Dom. Consumption | 165 | 165 | 170 | 160 | 0 | 160 |
| Other Use, Losses | 50 | 50 | 55 | 48 | 0 | 50 |
| Total Dom. Consumption | 215 | 215 | 225 | 208 | 0 | 210 |
| TOTAL Use | 427 | 427 | 435 | 408 | 0 | 415 |
| Ending Stocks | 23 | 23 | 28 | 35 | 0 | 40 |
| TOTAL DISTRIBUTION | 450 | 450 | 463 | 443 | 0 | 455 |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Sources: SCEES, ONILAIT, Eurostat, CNIEL

Trade Matrices

Fluid Milk: Jan-December tables

| | | | |
|---------------------|--------------------|-------------|--------|
| Export Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Milk, Fluid | | |
| Time period | Jan-Dec | Units: | MT |
| Exports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Italy | 337778 | Italy | 301150 |
| Spain | 172333 | Spain | 159034 |
| Belgium | 154295 | Belgium | 125913 |
| Germany | 53196 | Germany | 61273 |
| Greece | 13301 | Greece | 28480 |
| Switzerland | 22577 | Switzerland | 24449 |
| Portugal | 12520 | Portugal | 10391 |
| UK | 15969 | UK | 9736 |
| | | | |
| | | | |
| Total for Others | 781969 | | 720426 |
| Others not Listed | 37499 | | 32445 |
| Grand Total | 819468 | | 752871 |

Source: Eurostat

| | | | |
|-------------------|---------|-----------|--------|
| Time period | Jan-Dec | Units: | MT |
| Imports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Belgium | 378162 | Belgium | 387909 |
| Germany | 163250 | Germany | 167559 |
| Spain | 67267 | Spain | 90278 |
| Luxemburg | 17059 | Luxemburg | 19608 |
| Italy | 13803 | Italy | 3677 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 639541 | | 669031 |
| Others not Listed | 4544 | | 2664 |
| Grand Total | 644085 | | 671695 |

Source: Eurostat

| | | | |
|---------------------|--------------------|--|--|
| Import Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Milk, Fluid | | |

Fluid Milk: Jan-July tables:

| | | | |
|---------------------|--------------------|-------------|--------|
| Export Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Milk, Fluid | | |
| Time period | Jan-July | Units: | MT |
| Exports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Italy | 188679 | Italy | 224472 |
| Spain | 90617 | Spain | 123207 |
| Belgium | 88792 | Belgium | 61091 |
| Germany | 45726 | Germany | 40415 |
| Greece | 18125 | Portugal | 22150 |
| Switzerland | 14529 | Switzerland | 13284 |
| Portugal | 6650 | Greece | 12438 |
| | | | |
| | | | |
| | | | |
| Total for Others | 453118 | | 497057 |
| Others not Listed | 25240 | | 25501 |
| Grand Total | 478358 | | 522558 |

Source: Eurostat

| | | | |
|---------------------|--------------------|-----------|--------|
| Import Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Milk, Fluid | | |
| Time period | Jan-July | Units: | MT |
| Imports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Belgium | 193597 | Belgium | 210307 |
| Germany | 105550 | Germany | 73722 |
| Spain | 36047 | Spain | 54776 |
| Luxemburg | 8053 | Luxemburg | 4783 |
| Italy | 3353 | Austria | 1755 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 346600 | | 345343 |
| Others not Listed | 1790 | | 1951 |
| Grand Total | 348390 | | 347294 |

Source: Eurostat

Cheese trade matrices: January-December:

| | | | |
|---------------------|---------------|--------------|--------|
| Export Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Cheese | | |
| Time period | Jan-Dec | Units: | MT |
| Exports for: | 1999 | | 2000 |
| U.S. | 12140 | U.S. | 13434 |
| Others | | Others | |
| Germany | 131694 | Germany | 133989 |
| Belgium | 64721 | Belgium | 66861 |
| UK | 58517 | UK | 60466 |
| Italy | 52158 | Italy | 55326 |
| Spain | 30873 | Spain | 36500 |
| Netherlands | 27576 | Netherlands | 33396 |
| Saudi Arabia | 15736 | Saudi Arabia | 16413 |
| Switzerland | 11310 | Switzerland | 10984 |
| | | | |
| | | | |
| Total for Others | 392585 | | 413935 |
| Others not Listed | 83845 | | 84779 |
| Grand Total | 488570 | | 512148 |

Source: Eurostat

| | | | |
|-------------------|---------|-------------|--------|
| Time period | Jan-Dec | Units: | MT |
| Imports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Germany | 49477 | Germany | 66239 |
| Netherlands | 48033 | Netherlands | 51000 |
| Italy | 25962 | Italy | 26589 |
| Belgium | 13553 | Belgium | 16279 |
| Switzerland | 11096 | Spain | 10084 |
| Spain | 10467 | Denmark | 8924 |
| Denmark | 7731 | UK | 8472 |
| UK | 7179 | Switzerland | 7837 |
| | | | |
| | | | |
| Total for Others | 173498 | | 195424 |
| Others not Listed | 15017 | | 16733 |
| Grand Total | 188515 | | 212157 |

Source: Eurostat

| | | | |
|---------------------|---------------|--|--|
| Import Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Cheese | | |

Cheese trade matrices: January-July

| | | | |
|---------------------|---------------|--------------|--------|
| Export Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Cheese | | |
| Time period | Jan-July | Units: | MT |
| Exports for: | 2000 | | 2001 |
| U.S. | 6630 | U.S. | 7246 |
| Others | | Others | |
| Germany | 74988 | Germany | 71304 |
| Belgium | 37687 | Belgium | 39047 |
| UK | 34738 | UK | 38329 |
| Italy | 31471 | Italy | 33515 |
| Spain | 20313 | Spain | 25246 |
| Netherlands | 18650 | Netherlands | 18702 |
| Saudi Arabia | 10173 | Saudi Arabia | 9027 |
| Switzerland | 6140 | Luxemburg | 7503 |
| | | | |
| | | | |
| Total for Others | 234160 | | 242673 |
| Others not Listed | 44691 | | 50441 |
| Grand Total | 285481 | | 300360 |

Source: Eurostat

| | | | |
|-------------------|----------|-------------|--------|
| Time period | Jan-July | Units: | MT |
| Imports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Germany | 35382 | Germany | 36388 |
| Netherlands | 28879 | Netherlands | 27900 |
| Italy | 15708 | Italy | 16290 |
| Belgium | 9468 | Belgium | 9708 |
| Spain | 5746 | Spain | 9391 |
| Denmark | 5113 | Denmark | 4604 |
| UK | 4721 | UK | 4347 |
| Switzerland | 4376 | Switzerland | 4331 |
| | | | |
| | | | |
| Total for Others | 106393 | | 112959 |
| Others not Listed | 12684 | | 8109 |
| Grand Total | 119077 | | 121068 |

Source: Eurostat

| | | | |
|---------------------|---------------|--|--|
| Import Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Cheese | | |

Butter trade matrices: January-December

| | | | |
|---------------------|---------------|--------------|-------|
| Export Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Butter | | |
| Time period | Jan-Dec | Units: | MT |
| Exports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Italy | 17862 | Italy | 16490 |
| Belgium | 5877 | Belgium | 5922 |
| Germany | 5813 | Germany | 5377 |
| UK | 3988 | UK | 3788 |
| Egypt | 3796 | Egypt | 3292 |
| Greece | 2568 | Spain | 3017 |
| Algeria | 2522 | Saudi Arabia | 2668 |
| Singapore | 2367 | Ireland | 2433 |
| Saudi Arabia | 2292 | Greece | 2340 |
| Spain | 1476 | Singapore | 2299 |
| Total for Others | 48561 | | 47626 |
| Others not Listed | 22030 | | 23448 |
| Grand Total | 70591 | | 71074 |

Source: Eurostat

| | | | |
|---------------------|---------------|-------------|--------|
| Import Trade Matrix | | | |
| Country | France | | |
| Commodity | Dairy, Butter | | |
| Time period | Jan-Dec | Units: | MT |
| Imports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Belgium | 26268 | Belgium | 34563 |
| Netherlands | 31721 | Netherlands | 30479 |
| Ireland | 19285 | Ireland | 23479 |
| UK | 20781 | UK | 19318 |
| Spain | 5665 | Spain | 14539 |
| Germany | 7656 | Germany | 9753 |
| Italy | 6324 | Italy | 4985 |
| Finland | 3519 | Finland | 4092 |
| Portugal | 3870 | Portugal | 2878 |
| | | | |
| Total for Others | 125089 | | 144086 |
| Others not Listed | 3392 | | 2380 |
| Grand Total | 128481 | | 146466 |

Source: Eurostat

Butter trade matrices: January-July

| Export Trade Matrix | | | |
|---------------------|---------------|--------------|-------|
| Country | France | | |
| Commodity | Dairy, Butter | | |
| Time period | Jan-July | Units: | MT |
| Exports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Italy | 8103 | Italy | 7031 |
| Belgium | 3600 | Belgium | 4017 |
| Germany | 3017 | Germany | 2368 |
| Egypt | 2590 | UK | 2340 |
| UK | 2030 | Spain | 1734 |
| Saudi Arabia | 1543 | Singapore | 1645 |
| Spain | 1527 | Denmark | 1530 |
| Ireland | 1416 | Egypt | 1448 |
| Singapore | 1196 | Greece | 1106 |
| Greece | 1147 | Saudi Arabia | 1088 |
| Total for Others | 26169 | | 24307 |
| Others not Listed | 12624 | | 13477 |
| Grand Total | 38793 | | 37784 |

Source: Eurostat

| Import Trade Matrix | | | |
|---------------------|---------------|-------------|-------|
| Country | France | | |
| Commodity | Dairy, Butter | | |
| Time period | Jan-July | Units: | MT |
| Imports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Belgium | 18251 | Belgium | 16617 |
| Netherlands | 18917 | Netherlands | 15822 |
| UK | 14559 | Spain | 12508 |
| Ireland | 9735 | Ireland | 11559 |
| Spain | 9523 | Germany | 9616 |
| Germany | 4993 | UK | 7070 |
| Italy | 3189 | Finland | 2227 |
| Finland | 2119 | Italy | 1693 |
| Portugal | 1723 | Portugal | 1632 |
| | | Denmark | 1199 |
| Total for Others | 83009 | | 79943 |
| Others not Listed | 1279 | | 1220 |
| Grand Total | 84288 | | 81163 |

Source: Eurostat

Nonfat dry milk trade matrices: January-December

| Export Trade Matrix | | | |
|---------------------|----------------------------|-------------|-------|
| Country | France | | |
| Commodity | Dairy, Milk, Nonfat Dry | | |
| Time period | Jan-Dec | Units: | MT |
| Exports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Netherlands | 13675 | Netherlands | 14178 |
| Italy | 13086 | Italy | 13107 |
| Belgium | 9784 | Algeria | 10071 |
| Spain | 6258 | Belgium | 9640 |
| Algeria | 5669 | Cuba | 9413 |
| Cuba | 4165 | Spain | 8472 |
| Germany | 3401 | Germany | 3282 |
| Egypt | 2891 | Egypt | 1849 |
| Morocco | 2006 | Greece | 1640 |
| UK | 1943 | Singapore | 1453 |
| Total for Others | 62878 | | 73105 |
| Others not Listed | 20845 | | 15319 |
| Grand Total | 83723 | | 88424 |

Source: Eurostat

| Import Trade Matrix | | | |
|---------------------|----------------------------|----------------|-------|
| Country | France | | |
| Commodity | Dairy, Milk, Nonfat Dry | | |
| Time period | Jan-Dec | Units: | MT |
| Imports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Belgium | 22114 | Netherlands | 26357 |
| Netherlands | 16759 | Belgium | 13258 |
| Germany | 9714 | Ireland | 12747 |
| UK | 3253 | Germany | 11051 |
| Ireland | 2313 | UK | 9046 |
| Czech Republic | 2097 | Sweden | 3740 |
| Sweden | 1767 | Czech Republic | 2564 |
| Poland | 1650 | Spain | 1550 |
| Italy | 1061 | Ukraine | 902 |
| Spain | 629 | Denmark | 662 |
| Total for Others | 61357 | | 81877 |
| Others not Listed | 2439 | | 2837 |
| Grand Total | 63796 | | 84714 |

Source: Eurostat

Nonfat dry milk trade matrices: January-July

| Export Trade Matrix | | | |
|---------------------|----------------------------|-------------|-------|
| Country | France | | |
| Commodity | Dairy, Milk, Nonfat Dry | | |
| Time period | Jan-Dec | Units: | MT |
| Exports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Netherlands | 10679 | Italy | 6639 |
| Algeria | 9570 | Spain | 4435 |
| Italy | 9220 | Belgium | 3619 |
| Spain | 5558 | Netherlands | 2468 |
| Belgium | 5206 | Cuba | 2267 |
| Cuba | 4446 | Germany | 1942 |
| Germany | 1739 | Algeria | 1434 |
| Egypt | 1713 | UK | 1297 |
| Greece | 1132 | Portugal | 1133 |
| Singapore | 1117 | Egypt | 1071 |
| Total for Others | 50380 | | 26305 |
| Others not Listed | 9893 | | 3624 |
| Grand Total | 60273 | | 29929 |

Source: Eurostat

| Import Trade Matrix | | | |
|---------------------|----------------------------|-------------|-------|
| Country | France | | |
| Commodity | Dairy, Milk, Nonfat Dry | | |
| Time period | Jan-July | Units: | MT |
| Imports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Netherlands | 12243 | Netherlands | 13270 |
| Ireland | 10149 | Germany | 8701 |
| UK | 7724 | Belgium | 8051 |
| Belgium | 7288 | Ireland | 1769 |
| Germany | 5670 | Sweden | 984 |
| Sweden | 3308 | | |
| Czech Republic | 1460 | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 47842 | | 32775 |
| Others not Listed | 2330 | | 3931 |
| Grand Total | 50712 | | 36706 |

Source: Eurostat

Dry Milk trade matrices: January-December:

| Export Trade Matrix | | | |
|---------------------|------------------------------|--------------|--------|
| Country | France | | |
| Commodity | Dairy, Dry Whole Milk Powder | | |
| Time period | Jan-Dec | Units: | MT |
| Exports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Algeria | 72052 | Algeria | 70140 |
| Iraq | 20653 | Iraq | 20454 |
| Netherlands | 13901 | Netherlands | 13993 |
| Cuba | 12385 | Belgium | 12983 |
| Belgium | 11415 | Saudi Arabia | 11468 |
| Saudi Arabia | 10250 | Cuba | 11359 |
| Germany | 8986 | Senegal | 10486 |
| Senegal | 8238 | Lebanon | 5680 |
| Mali | 6310 | Germany | 5353 |
| Lebanon | 5035 | Italy | 5173 |
| Total for Others | 169225 | | 167089 |
| Others not Listed | 46984 | | 44755 |
| Grand Total | 216209 | | 211844 |

Source: Eurostat

| Import Trade Matrix | | | |
|---------------------|------------------------------|-------------|------|
| Country | France | | |
| Commodity | Dairy, Dry Whole Milk Powder | | |
| Time period | Jan-Dec | Units: | MT |
| Imports for: | 1999 | | 2000 |
| U.S. | | U.S. | |
| Others | | Others | |
| Netherlands | 4470 | Belgium | 2085 |
| Germany | 3169 | Portugal | 2017 |
| Belgium | 2951 | Netherlands | 1179 |
| Ireland | 2122 | Germany | 1158 |
| Portugal | 1826 | UK | 545 |
| UK | 603 | Ireland | 513 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 15141 | | 7497 |
| Others not Listed | 787 | | 593 |
| Grand Total | 15928 | | 8090 |

Source: Eurostat

Dry Milk trade matrices: January-July:

| Export Trade Matrix | | | |
|---------------------|------------------------------|--------------|--------|
| Country | France | | |
| Commodity | Dairy, Dry Whole Milk Powder | | |
| Time period | Jan-July | Units: | MT |
| Exports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Algeria | 72052 | Algeria | 70140 |
| Iraq | 20653 | Iraq | 20454 |
| Netherlands | 13901 | Netherlands | 13993 |
| Cuba | 12385 | Belgium | 12983 |
| Belgium | 11415 | Saudi Arabia | 11468 |
| Saudi Arabia | 10250 | Cuba | 11359 |
| Germany | 8986 | Senegal | 10486 |
| Senegal | 8238 | Lebanon | 5680 |
| Mali | 6310 | Germany | 5353 |
| Lebanon | 5035 | Italy | 5173 |
| Total for Others | 169205 | | 167089 |
| Others not Listed | 14004 | | 44755 |
| Grand Total | 216209 | | 211844 |

Source: Eurostat

| Import Trade Matrix | | | |
|---------------------|------------------------------|----------|------|
| Country | France | | |
| Commodity | Dairy, Dry Whole Milk Powder | | |
| Time period | Jan-July | Units: | MT |
| Imports for: | 2000 | | 2001 |
| U.S. | | U.S. | |
| Others | | Others | |
| Portugal | 1298 | Belgium | 2488 |
| Belgium | 830 | Germany | 1618 |
| Netherlands | 822 | Portugal | 1560 |
| Germany | 609 | UK | 636 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 3559 | | 6302 |
| Others not Listed | 1041 | | 1172 |
| Grand Total | 4600 | | 7474 |

Source: Eurostat

Section III: Supply, Demand, Policy and Marketing

Production

Fluid Milk

French milk production is very stable, due to the European system of production quotas. During the 2000/2001 milk production year (April/March), French milk production was 23.6 million MT (with the butterfat correction factor), but below its quota of 23.8 million MT. During the first four months of the 2001/2002 milk production year, French milk production was 0.6 percent below the same period in 2000/2001 (with the butterfat content correction factor).

In 2000/2001, the butterfat content was 42 grams per liter and the protein content was 32.8 grams per liter, on average. In the first three months of 2001/2002, the average butterfat content and protein content were 41 grams per liter and 32.6 grams per liter, respectively.

Cheese

French cheese production increased by 3 percent in the first seven months of 2001 compared to the same period in 2000, mainly due to increased domestic demand: while beef consumption declined as a result of the BSE crisis, the French partially replaced beef with cheese in their diet.

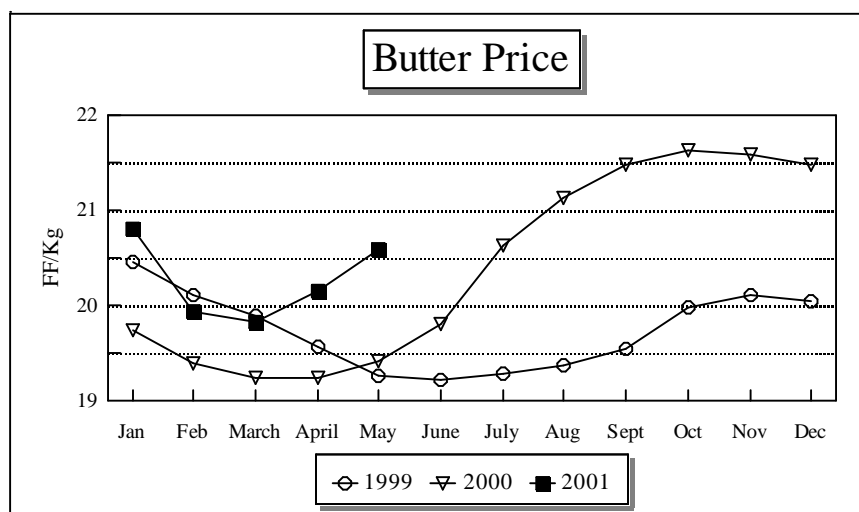
| (Metric Tons) | | Jan-Dec 2000 | Jan-July 2000 | Jan- July 2001 |
|------------------------------|--------------------------|-----------------|------------------|-------------------|
| Cheeses made from cow milk | Fresh Cheeses | 569,144 | 334,127 | 353,135 |
| | Soft Cheeses | 456,363 | 256,504 | 257,099 |
| | Cooked Pressed Cheeses | 321,491 | 191,662 | 201,088 |
| | Uncooked Pressed Cheeses | 222,936 | 120,437 | 129,999 |
| | Blue Cheeses | 38,267 | 21,666 | 21,676 |
| | Total | 1,608,200 | 924,396 | 962,977 |
| Cheeses made from Sheep Milk | | 51,372 | 57,642 | 48,987 |
| Cheeses made from Goat Milk | | 59,930 | 34,354 | 36,474 |
| TOTAL CHEESES | | 1,719,500 | 1,016,390 | 1,048,460 |

Butter

According to SCEES, French butter production declined slightly from the first seven months in 2000 to the first seven months in 2001, and included the following (in MT):

| (Metric Tons) | Jan-Dec 2000 | Jan-July 2000 | Jan-July 2001 |
|------------------------------|-----------------|------------------|------------------|
| Butter | 371,803 | 238,225 | 234,293 |
| Butter Oil (made from cream) | 74,995 | 45,423 | 44,047 |
| Light Butter | 5,897 | 2,173 | 3,279 |
| TOTAL BUTTER | 452,695 | 285,821 | 281,619 |

In the first half of 2001, butter prices recovered from the abnormally low levels of 2000, which were a result of the economic crisis in Russia. Russia used to be France's leading non-EU export market for butter until 1998. France partially replaced butter shipments to Russia with exports to other non-EU countries.



Milk Powders

French production of nonfat dry milk (skim milk powder-SMP) declined by 17 percent from the first seven months in 2000 to the same period in 2001. This resulted mainly from the increase in cheese and casein production. Domestic consumption of SMP declined in 2001, due to the reduced use of SMP in calf feed, since French consumption of veal is depressed by the BSE crisis and the FMD outbreak. .

| (Metric Tons) | Jan-Dec 2000 | Jan-July 2000 | Jan-July 2001 |
|-----------------------|--------------|---------------|---------------|
| Nonfat Dry Milk | 278,021 | 195,619 | 162,170 |
| Dry Whole Milk Powder | 419,551 | 265,911 | 247,871 |

Consumption

Fluid Milk

According to the consumer survey agency SECODIP and the dairy information center CIDIL, fluid milk ranks third in the various dairy market segments in France, after cheese and fresh (short self-life) products. Fluid milk purchases represented 15 percent of household dairy products purchases. Most fluid milk products are sold at supermarkets (78 percent in 2000).

Cheese

Total French cheese consumption amounted to 1.42 million MT in 2000 (43 percent of French household consumption and 57 percent hotels, restaurants and institutions - HRI - consumption). Cheese is the leading dairy market segment in France, accounting for 43 percent of French household dairy purchases and 7.4 percent of French households' food budget.

French household purchases of cheese was FF 30.4 billion in 2000 (USD 4.3 billion). Most sales were self-service (82 percent), while over-the-counter sales were minor (18 percent).

Per capita cheese consumption was 24.1 kg in 2000. Over the past few years, total French cheese consumption has grown mainly due to the increase in fresh cheese consumption, while the other market segments remained relatively stable.

Butter

French household purchases of butter were FF 5.4 billion (USD 757 million) in 2000, almost 8 percent of the French household dairy budget and 3.4 percent of the total French household food budget.

Trade

France and the United States are competitors in the world dairy markets, except for cheese, where the United States is a market for French products. French and U.S. products compete for the same markets outside of the EU for industrial dairy products such as butter and milk powders.

France's leading non-EU export markets for butter are Egypt, Saudi Arabia and Singapore, which totaled 11.6 percent of total French exports of butter in 2000. The share of French exports of butter to these countries declined from 13.8 percent in the first seven months in 2000 to 11 percent in the same period in 2001. This was mainly due to increased prices for butter and food safety problems in France with Foot and Mouth Disease.

French exports of nonfat dry milk (NFDM) to Algeria, Cuba, Egypt and Singapore accounted for 26 percent of total French NFDM exports in 2000. However, French exports of NFDM were cut by half during the first seven months in 2001, due mainly to the sharp decline in shipments to these same countries, and especially Algeria. This was mainly due to export restrictions on European products for sanitary reasons. French exports of whole milk powder declined slightly in the first seven months in 2001. Algeria and Iraq, with 33 percent and 10 percent of French exports, remained France's leading export markets.

Stocks

In December 2000, French stocks of dairy products included the following (in MT):

| | | |
|-------------------|---|--------|
| Cheese | Private Stocks Under Contract | 7,734 |
| | Private Stocks in Factories | 64,760 |
| | Total Cheese Stocks | 72,494 |
| Butter | Public Stocks | 285 |
| | Private Stocks Under Contract | 6,645 |
| | Private Stocks of Butter and Butter-Oil in Factories | 19,951 |
| | Total Butter Stocks | 26,881 |
| Nonfat Dry Milk | Public Stocks | 0 |
| | Private Stocks of Pure Nonfat Dry Milk in Factories | 17,453 |
| | Private Stocks of Fattened Nonfat Dry Milk in Factories | 2,578 |
| | Total Nonfat Dry Milk Stocks | 20,031 |
| Whole Milk Powder | Bulk Whole Milk Powder, 1.5% - 25.9% Fat Content | 1,171 |

| | | |
|--|---|--------|
| | Bulk Whole Milk Powder, 26% Fat Content and Above | 13,523 |
| | Packaged Whole Milk Powder | 7,831 |
| | Total Stocks of Whole Milk Powder | 22,525 |

Sources: ONILAIT, SCEES